



Rep. Michael J. Zalewski

Filed: 3/24/2014

09800HB5674ham001

LRB098 16200 ZMM 57389 a

1 AMENDMENT TO HOUSE BILL 5674

2 AMENDMENT NO. _____. Amend House Bill 5674 as follows:

3 on page 31, immediately below line 12, by inserting the
4 following:

5 "Section 5. The Limited Liability Company Act is amended by
6 changing Sections 1-10, 1-25, 1-28, 5-5, and 5-55 and by adding
7 Section 1-29 as follows:

8 (805 ILCS 180/1-10)

9 Sec. 1-10. Limited liability company name.

10 (a) The name of each limited liability company as set forth
11 in its articles of organization:

12 (1) shall contain the terms "limited liability
13 company", "L.L.C.", or "LLC", or, if organized as a
14 low-profit limited liability company under Section 1-26 of
15 this Act, shall contain the term "L3C";

1 (2) may not contain a word or phrase, or an
2 abbreviation or derivation thereof, the use of which is
3 prohibited or restricted by any other statute of this State
4 unless the restriction has been complied with;

5 (3) shall consist of letters of the English alphabet,
6 Arabic or Roman numerals, or symbols capable of being
7 readily reproduced by the Office of the Secretary of State;

8 (4) shall not contain any of the following terms:
9 "Corporation," "Corp.," "Incorporated," "Inc.," "Ltd.,"
10 "Co.," "Limited Partnership" or "L.P.";

11 (5) shall be the name under which the limited liability
12 company transacts business in this State unless the limited
13 liability company also elects to adopt an assumed name or
14 names as provided in this Act; provided, however, that the
15 limited liability company may use any divisional
16 designation or trade name without complying with the
17 requirements of this Act, provided the limited liability
18 company also clearly discloses its name;

19 (6) shall not contain any word or phrase that indicates
20 or implies that the limited liability company is authorized
21 or empowered to be in the business of a corporate fiduciary
22 unless otherwise permitted by the Secretary of Financial
23 and Professional Regulation ~~Commissioner of the Office of~~
24 ~~Banks and Real Estate~~ under Section 1-9 of the Corporate
25 Fiduciary Act. The word "trust", "trustee", or "fiduciary"
26 may be used by a limited liability company only if it has

1 first complied with Section 1-9 of the Corporate Fiduciary
2 Act; and

3 (7) shall contain the word "trust", if it is a limited
4 liability company organized for the purpose of accepting
5 and executing trusts; ~~and~~

6 ~~(8) shall not, as to any limited liability company~~
7 ~~organized or amending its company name on or after April 3,~~
8 ~~2009 (the effective date of Public Act 96-7), without the~~
9 ~~express written consent of the United States Olympic~~
10 ~~Committee, contain the words: (i) "Olympic"; (ii)~~
11 ~~"Olympiad"; (iii) "Paralympic"; (iv) "Paralympiad"; (v)~~
12 ~~"Citius Altius Fortius"; (vi) "CHICOG"; or (vii) "Chicago~~
13 ~~2016".~~

14 (b) Nothing in this Section or Section 1-20 shall abrogate
15 or limit the common law or statutory law of unfair competition
16 or unfair trade practices, nor derogate from the common law or
17 principles of equity or the statutes of this State or of the
18 United States of America with respect to the right to acquire
19 and protect copyrights, trade names, trademarks, service
20 marks, service names, or any other right to the exclusive use
21 of names or symbols.

22 (c) (Blank).

23 (d) The name shall be distinguishable upon the records in
24 the Office of the Secretary of State from all of the following:

25 (1) Any limited liability company that has articles of
26 organization filed with the Secretary of State under

1 Section 5-5.

2 (2) Any foreign limited liability company admitted to
3 transact business in this State.

4 (3) Any name for which an exclusive right has been
5 reserved in the Office of the Secretary of State under
6 Section 1-15.

7 (4) Any assumed name that is registered with the
8 Secretary of State under Section 1-20.

9 (5) Any corporate name or assumed corporate name of a
10 domestic or foreign corporation subject to the provisions
11 of Section 4.05 of the Business Corporation Act of 1983 or
12 Section 104.05 of the General Not For Profit Corporation
13 Act of 1986.

14 (e) The provisions of subsection (d) of this Section shall
15 not apply if the organizer files with the Secretary of State a
16 certified copy of a final decree of a court of competent
17 jurisdiction establishing the prior right of the applicant to
18 the use of that name in this State.

19 (f) The Secretary of State shall determine whether a name
20 is "distinguishable" from another name for the purposes of this
21 Act. Without excluding other names that may not constitute
22 distinguishable names in this State, a name is not considered
23 distinguishable, for purposes of this Act, solely because it
24 contains one or more of the following:

25 (1) The word "limited", "liability" or "company" or an
26 abbreviation of one of those words.

1 (2) Articles, conjunctions, contractions,
2 abbreviations, or different tenses or number of the same
3 word.

4 (Source: P.A. 96-7, eff. 4-3-09; 96-126, eff. 1-1-10; 96-1000,
5 eff. 7-2-10.)

6 (805 ILCS 180/1-25)

7 Sec. 1-25. Nature of business. A limited liability company
8 may be formed for any lawful purpose or business except:

9 (1) (blank);

10 (2) insurance unless, for the purpose of carrying on
11 business as a member of a group including incorporated and
12 individual unincorporated underwriters, the Director of
13 Insurance finds that the group meets the requirements of
14 subsection (3) of Section 86 of the Illinois Insurance Code
15 and the limited liability company, if insolvent, is subject
16 to liquidation by the Director of Insurance under Article
17 XVIII of the Illinois Insurance Code;

18 (3) the practice of dentistry unless all the members
19 and managers are licensed as dentists under the Illinois
20 Dental Practice Act; ~~or~~

21 (4) the practice of medicine unless all the managers,
22 if any, are licensed to practice medicine under the Medical
23 Practice Act of 1987 and each member is either:

24 (A) licensed to practice medicine under the
25 Medical Practice Act of 1987; or

1 (B) a registered medical corporation or
2 corporations organized pursuant to the Medical
3 Corporation Act; or

4 (C) a professional corporation organized pursuant
5 to the Professional Service Corporation Act of
6 physicians licensed to practice under the Medical
7 Practice Act of 1987; or

8 (D) a limited liability company that satisfies the
9 requirements of subparagraph (A), (B), or (C); ~~or~~

10 (5) the practice of real estate unless all the
11 managers, if any, or every member in a member-managed
12 company are licensed to practice as a managing broker or
13 broker pursuant to the Real Estate License Act of 2000.

14 (Source: P.A. 95-331, eff. 8-21-07; 95-738, eff. 1-1-09.)

15 (805 ILCS 180/1-28)

16 Sec. 1-28. Certificate of Registration; Department of
17 Financial and Professional Regulation. This Section applies
18 only to a limited liability company that intends to provide, or
19 does provide, professional services that require the
20 individuals engaged in the profession to be licensed by the
21 Department of Financial and Professional Regulation. A limited
22 liability company covered by this Section shall not open,
23 operate, or maintain an establishment for any of the purposes
24 for which a limited liability company may be organized under
25 this Act without obtaining a certificate of registration from

1 the Department.

2 Application for such registration shall be made in writing
3 and shall contain the name and address of the limited liability
4 company and such other information as may be required by the
5 Department. Upon receipt of such application, the Department
6 shall make an investigation of the limited liability company.
7 If the Department finds that the organizers, managers, and
8 members are each licensed pursuant to the laws of Illinois to
9 engage in the particular profession or related professions
10 involved (except that an initial organizer may be a licensed
11 attorney) and if no disciplinary action is pending before the
12 Department against any of them and if it appears that the
13 limited liability company will be conducted in compliance with
14 the law and the rules and regulations of the Department, the
15 Department shall issue, upon payment of a registration fee of
16 \$50, a certificate of registration.

17 A separate application shall be submitted for each business
18 location in Illinois. If the limited liability company is using
19 more than one fictitious or assumed name and has an address
20 different from that of the parent company, a separate
21 application shall be submitted for each fictitious or assumed
22 name.

23 Upon written application of the holder, the Department
24 shall renew the certificate if it finds that the limited
25 liability company has complied with its regulations and the
26 provisions of this Act and the applicable licensing Act. This

1 fee for the renewal of a certificate of registration shall be
2 calculated at the rate of \$40 per year. The certificate of
3 registration shall be conspicuously posted upon the premises to
4 which it is applicable, ~~and the limited liability company shall~~
5 ~~have only those offices which are designated by street address~~
6 ~~in the articles of organization, or as changed by amendment of~~
7 ~~such articles.~~ A certificate of registration shall not be
8 assignable.

9 A limited liability company registered under this Section
10 may, for the purposes of dissolution, have as its managers and
11 members individuals who are not licensed by the Department to
12 provide professional services, provided that the limited
13 liability company does not render any professional services or
14 hold itself out as capable or available to render any
15 professional services during the period of dissolution. The
16 Department shall not issue or renew any certificate of
17 registration to a limited liability company during the period
18 of dissolution. A copy of the certificate of dissolution, as
19 issued by the Secretary of State, shall be delivered to the
20 Department within 30 days after its receipt by the managers or
21 members.

22 All fees, civil penalties, and fines collected under this
23 Section and Section 1-29 shall be deposited into the General
24 Professions Dedicated Fund.

25 (Source: P.A. 96-679, eff. 8-25-09; 96-984, eff. 1-1-11;
26 96-1000, eff. 7-2-10.)

1 (805 ILCS 180/1-29 new)

2 Sec. 1-29. Certificate of registration; administration and
3 enforcement.

4 This Section applies to a limited liability company subject
5 to Section 1-28 of this Act.

6 No limited liability company organized under this Act may
7 render professional services that require the issuance of a
8 license by the Department, except through its managers,
9 members, agents, or employees who are duly licensed or
10 otherwise legally authorized to render such professional
11 services within this State.

12 Nothing contained in this Act shall be interpreted to
13 abolish, repeal, modify, restrict, or limit the law in effect
14 in this State on the effective date of this amendatory Act of
15 the 98th General Assembly that is applicable to the
16 professional relationship and liabilities between the person
17 furnishing the professional services and the person receiving
18 such professional services or the law that is applicable to the
19 standards for professional conduct. Any manager, member,
20 agent, or employee of a limited liability company shall remain
21 personally and fully liable and accountable for any negligent
22 or wrongful acts or misconduct committed by him or her or by
23 any person under his or her direct supervision and control
24 while rendering professional services on behalf of the limited
25 liability company. However, a limited liability company

1 subject to Section 1-28 shall have no greater liability for the
2 conduct of its agents than any other limited liability company
3 organized under this Act. The limited liability company shall
4 be liable up to the full value of its property for any
5 negligence or wrongful acts or misconduct committed by any of
6 its managers, members, agents, or employees while they are
7 engaged in the rendering of professional services on behalf of
8 the limited liability company.

9 An individual's association with a limited liability
10 company as a manager, member, agent, or employee, shall in no
11 way modify or diminish the jurisdiction of the Department that
12 licensed, certified, or registered the individual for a
13 particular profession.

14 All rights and obligations pertaining to communications
15 made to or information received by any qualified person or the
16 advice he or she gives on such communications or information,
17 shall be extended to the limited liability company of which he
18 or she is a manager, member, agent, or employee, and to the
19 limited liability company's managers, members, agents, and
20 employees.

21 Any limited liability company that, on 2 occasions, issues
22 or delivers a check or other order to the Department that is
23 not honored by the financial institution upon which it is drawn
24 because of insufficient funds on the account, shall pay to the
25 Department, in addition to the amount owing upon such check or
26 other order, a fee of \$50. If such check or other order was

1 issued or delivered in payment of a renewal fee and the limited
2 liability company whose certification of registration has
3 lapsed continues to practice as a limited liability company
4 without paying the renewal fee and the \$50 fee required under
5 this Section, an additional fee of \$100 shall be imposed for
6 practicing without a current license. The Department shall
7 notify the limited liability company whose certificate of
8 registration has lapsed within 30 days after the discovery by
9 the Department that such limited liability company is operating
10 without a current certificate of the fact that the limited
11 liability company is operating without a certificate and of the
12 amount due to the Department, which shall include the lapsed
13 renewal fee and all other fees required by this Section. If the
14 limited liability company whose certification has lapsed seeks
15 a current certificate more than 30 days after the date it
16 receives notification from the Department, it shall be required
17 to apply to the Department for reinstatement of the certificate
18 and to pay all fees due to the Department. The Department may
19 establish a fee for the processing of an application for
20 reinstatement of a certificate that allows the Department to
21 pay all costs and expenses related to the processing of the
22 application. The Director may waive the fees due under this
23 Section in individual cases where he or she finds that in the
24 particular case such fees would be unreasonable or
25 unnecessarily burdensome.

26 The Department may suspend, revoke, or otherwise

1 discipline the certificate of registration for any of the
2 following reasons:

3 (1) the revocation or suspension of the license to
4 practice the profession of any officer, manager, member,
5 agent, or employee not promptly removed or discharged by
6 the limited liability company;

7 (2) unethical professional conduct on the part of any
8 officer, manager, member, agent, or employee not promptly
9 removed or discharged by the limited liability company;

10 (3) the death of the last remaining member;

11 (4) upon finding that the holder of the certificate has
12 failed to comply with the provisions of this Act or the
13 regulations prescribed by the Department; or

14 (5) the failure to file a return, to pay the tax,
15 penalty, or interest shown in a filed return, or to pay any
16 final assessment of tax, penalty, or interest, as required
17 by a tax Act administered by the Illinois Department of
18 Revenue, until such time as the requirements of any such
19 tax Act are satisfied.

20 Before any certificate of registration is suspended or
21 revoked, the holder shall be given written notice of the
22 proposed action and the reasons for the proposed action and
23 shall be provided a public hearing by the Department with the
24 right to produce testimony and other evidence concerning the
25 charges made. The notice shall also state the place and date of
26 the hearing, which shall be at least 10 days after service of

1 the notice.

2 All orders of the Department denying an application for a
3 certificate of registration or suspending or revoking a
4 certificate of registration or imposing a civil penalty shall
5 be subject to judicial review pursuant to the Administrative
6 Review Law.

7 The proceedings for judicial review shall be commenced in
8 the circuit court of the county in which the party applying for
9 review is located; but if the party is not currently located in
10 Illinois, the venue shall be in Sangamon County. The Department
11 shall not be required to certify any record to the court or
12 file any answer in court or otherwise appear in any court in a
13 judicial review proceeding, unless and until the Department has
14 received from the plaintiff payment of the costs of furnishing
15 and certifying the record, which costs shall be determined by
16 the Department. Exhibits shall be certified without cost.
17 Failure on the part of the plaintiff to file a receipt in court
18 is grounds for dismissal of the action.

19 Whenever the Department has reason to believe a limited
20 liability company has opened, operated, or maintained an
21 establishment for any of the purposes for which a limited
22 liability company may be organized under this Act without a
23 certificate of registration from the Department authorized by
24 law to license individuals to engage in the profession or
25 related professions, the Department may issue a notice of
26 violation to the limited liability company. The notice of

1 violation shall provide a period of 30 days after the date of
2 the notice to either file an answer to the satisfaction of the
3 Department or submit an application for registration in
4 compliance with this Act, including payment of the \$50
5 application fee and a late fee of \$100 for each year that the
6 limited liability company opened, operated, or maintained an
7 establishment for any of the purposes for which a limited
8 liability company may be organized under this Act without
9 having been issued a certificate of registration, with a
10 maximum late fee of \$500. If the limited liability company that
11 is the subject of the notice of violation fails to respond,
12 fails to respond to the satisfaction of the Department, or
13 fails to submit an application for registration, the Department
14 may institute disciplinary proceedings against the limited
15 liability company and may impose a civil penalty up to \$10,000
16 for violation of this Act after affording the limited liability
17 company a hearing in conformance with the requirements of this
18 Act.

19 (805 ILCS 180/5-5)

20 Sec. 5-5. Articles of organization.

21 (a) The articles of organization shall set forth all of the
22 following:

23 (1) The name of the limited liability company and the
24 address of its principal place of business which may, but
25 need not be a place of business in this State.

1 (2) The purposes for which the limited liability
2 company is organized, which may be stated to be, or to
3 include, the transaction of any or all lawful businesses
4 for which limited liability companies may be organized
5 under this Act.

6 (3) The name of its registered agent and the address of
7 its registered office.

8 (4) If the limited liability company is to be managed
9 by a manager or managers, the names and business addresses
10 of the initial manager or managers.

11 (5) If management of the limited liability company is
12 to be vested in the members under Section 15-1, then the
13 names and addresses of the initial member or members.

14 (5.5) The duration of the limited liability company,
15 which shall be perpetual unless otherwise stated.

16 (6) (Blank).

17 (7) The name and address of each organizer.

18 (8) Any other provision, not inconsistent with law,
19 that the members elect to set out in the articles of
20 organization for the regulation of the internal affairs of
21 the limited liability company, including any provisions
22 that, under this Act, are required or permitted to be set
23 out in the operating agreement of the limited liability
24 company.

25 (b) A limited liability company is organized at the time
26 articles of organization are filed by the Secretary of State or

1 at any later time, not more than 60 days after the filing of
2 the articles of organization, specified in the articles of
3 organization.

4 (c) Articles of organization for the organization of a
5 limited liability company for the purpose of accepting and
6 executing trusts shall not be filed by the Secretary of State
7 until there is delivered to him or her a statement executed by
8 the Secretary of Financial and Professional Regulation
9 ~~Commissioner of the Office of Banks and Real Estate~~ that the
10 organizers of the limited liability company have made
11 arrangements with the Secretary of Financial and Professional
12 Regulation ~~Commissioner of the Office of Banks and Real Estate~~
13 to comply with the Corporate Fiduciary Act.

14 (d) Articles of organization for the organization of a
15 limited liability company as a bank or a savings bank must be
16 filed with the Department of Financial and Professional
17 Regulation ~~Commissioner of Banks and Real Estate~~ or, if the
18 bank or savings bank will be organized under federal law, with
19 the appropriate federal banking regulator.

20 (Source: P.A. 98-171, eff. 8-5-13.)

21 (805 ILCS 180/5-55)

22 Sec. 5-55. Filing in Office of Secretary of State.

23 (a) Whenever any provision of this Act requires a limited
24 liability company to file any document with the Office of the
25 Secretary of State, the requirement means that:

1 (1) the original document, executed as described in
2 Section 5-45, and, if required by this Act to be filed in
3 duplicate, one copy (which may be a signed carbon or
4 photocopy) shall be delivered to the Office of the
5 Secretary of State;

6 (2) all fees and charges authorized by law to be
7 collected by the Secretary of State in connection with the
8 filing of the document shall be tendered to the Secretary
9 of State; and

10 (3) unless the Secretary of State finds that the
11 document does not conform to law, he or she shall, when all
12 fees have been paid:

13 (A) endorse on the original and on the copy the
14 word "Filed" and the month, day, and year of the filing
15 thereof;

16 (B) file in his or her office the original of the
17 document; and

18 (C) return the copy to the person who filed it or
19 to that person's representative.

20 (b) If another Section of this Act specifically prescribes
21 a manner of filing or signing a specified document that differs
22 from the corresponding provisions of this Section, then the
23 provisions of the other Section shall govern.

24 (c) Whenever any provision of this Act requires a limited
25 liability company that is a bank or a savings bank to file any
26 document, that requirement means that the filing shall be made

1 exclusively with the Department of Financial and Professional
2 Regulation ~~Commissioner of Banks and Real Estate~~ or, if the
3 bank or savings bank is organized under federal law, with the
4 appropriate federal banking regulator at such times and in such
5 manner as required by the Department ~~Commissioner~~ or federal
6 regulator.

7 (Source: P.A. 92-33, eff. 7-1-01; 93-561, eff. 1-1-04.)".